



To the Honorable Council
City of Norfolk, Virginia

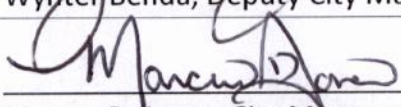
May 17, 2016

From: Sabrina Joy-Hogg, Deputy City Manager and
Acting Budget Director

Subject: FY 2017 Budget Ordinance -
Capital Improvement Plan

Reviewed: 
Wynter Benda, Deputy City Manager

Ward/Superward: Citywide

Approved: 
Marcus D. Jones, City Manager

Item Number:

R-2

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description:**

This agenda item includes an ordinance to approve and authorize the Fiscal Year 2017 Capital Improvement Plan (CIP) for the city. The following Table 1 provides a breakdown of the capital plan by fund source.

Table 1 – FY 2017 CIP

Fiscal Year 2017 Capital Improvement Plan	
Fund	Budget
General Capital	\$43,364,000
Parking Facilities	\$2,900,000
Wastewater Utility	\$20,000,000
Storm Water Utility	\$4,815,200
Water Utility	\$25,950,000
Total Capital Improvement Plan	\$97,029,200

IV. **Analysis**

This ordinance distributes Capital Improvement Plan funds in accordance with the City Manager's Proposed FY 2017 Budget presented on April 12, 2016 and subsequent

amendments by City Council discussed during the budget worksessions, which include the following (see Table 2 for details):

- Provides an additional \$1.0 million in support for Norfolk Public School to address school maintenance needs
- Provides additional support of \$950,000 for citywide neighborhood improvements for Huntersville, Barraud Park, Pinewell, Ocean View, Ghent, and Chelsea
- Supports the expansion of the city's broadband infrastructure by funding an additional \$200,000 in improvements
 - The City Manager's Proposed FY 2017 Budget included a project titled, "Upgrade Infrastructure Equipment Network (INET)," which has been retitled to "Upgrade and Expand Broadband Infrastructure" to align with the expanded scope for additional broadband infrastructure as amended by City Council
- Provides funding of \$250,000 to construct a public safety memorial

Table 2 – Project Amendments

Project	Amendment
Support Norfolk Public School (NPS) Major Maintenance	\$1,000,000
Neighborhood Improvements	\$950,000
Broadband Infrastructure	\$200,000
Construct Public Safety Memorial	\$250,000
Subtotal Council Amendments	\$2,400,000
Improve Citywide Infrastructure and Neighborhoods (Technical adjustment to add urban allocation project)	\$11,600,000
Total Amendments (With technical adjustment – see below for details)	\$14,000,000

Technical Adjustment – Urban Allocation Project

The Proposed FY 2017 Budget mentioned an estimated \$11.0 million in urban allocation funds from the Commonwealth would be available for infrastructure improvement projects. The funding amount has subsequently been revised upward to \$11.6 million. At the time of the Proposed Budget, the preferred method of appropriation had not been determined. Since then, it has been determined that the CIP is the best vehicle to implement the project. As a result, a project titled "Ensure Citywide Infrastructure Improvements" has been created in the CIP which will be supported with the urban allocation funds. While the CIP increases by \$11.6 million, there is no additional cost to the city since a corresponding revenue adjustment has been made. This project will be implemented as proposed by the City Manager.

V. Financial Impact

The CIP budget ordinance totals \$97,029,200 from all funds and meets the Norfolk City's Charter requirements for a balanced budget. See the above Analysis section for more details.

VI. Environmental

N/A

VII. Community Outreach/Notification

Pursuant to the Code of Virginia and Norfolk City Charter, this agenda item requires a public hearing. As such, a public hearing notice was published in *The Virginian-Pilot* on April 20, 2016 and the public hearing was held on May 4, 2015.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter has been coordinated with the Office of Budget and Strategic Planning and the City Attorney's Office.

Supporting documentation from the Office of Budget and Strategic Planning:

- Ordinance

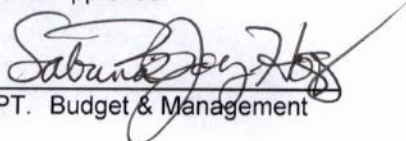
Form and Correctness Approved:

By


 Office of the City Attorney

Contents Approved:

By

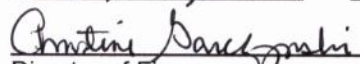

 DEPT. Budget & Management

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

\$ 97,029,200⁰⁰

Various

Account


 Director of Finance
5/12/16
Date

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE APPROVING THE CAPITAL IMPROVEMENT PLAN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017; APPROPRIATING \$97,029,200 FOR CERTAIN PROJECTS APPROVED THEREIN; AUTHORIZING AN ISSUE OF BONDS IN THE AMOUNT OF \$71,116,607, OF WHICH \$4,965,041 IS THE REAPPROPRIATION OF PREVIOUSLY AUTHORIZED, BUT UNISSUED, BONDS; AND AUTHORIZING THE EXPENDITURE OF \$25,912,593 IN CASH.

- - -

WHEREAS, the City Manager submitted to the City Council a Capital Improvement Plan Budget for the City for the fiscal year beginning July 1, 2016 and ending on June 30, 2017; and

WHEREAS, it is necessary to appropriate sufficient funds to cover the approved capital projects set forth in the Capital Improvement Plan Budget and to authorize said projects; now therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the capital projects set forth below in the Capital Improvement Plan for the fiscal year beginning on July 1, 2016 and ending on June 30, 2017, submitted by the City Manager under date of April 12, 2016 are hereby approved and the amounts herein set forth aggregating \$97,029,200, or so much thereof as may be necessary, as set forth in the Capital Improvement Plan Budget for the fiscal year July 1, 2016 to June 30, 2017, are hereby appropriated for the purposes hereinafter set

out in the following subparagraph:

A. Capital Improvement Projects

<u>Number</u>	<u>Title</u>	<u>Approved Amount</u>
General Capital		
1	Address School Major Maintenance	4,000,000
2	Address Street Flooding Citywide	1,500,000
3	Construct Public Safety Memorial	250,000
4	Continue Scope Arena Improvements (PA)	750,000
5	Control Beach Erosion	955,000
6	Develop Bicycle, Pedestrian Greenways, Sharrows, and Complete Streets	750,000
7	Enhance Signals and Intersections	200,000
8	Ensure Citywide Infrastructure Improvements	11,600,000
9	Fund Chrysler Museum Capital Campaign Match	850,000
10	Fund Preliminary Engineering	2,259,000
11	Implement Neighborhood Initiatives	950,000
12	Implement RPOS Master Plan	500,000
13	Improve Citywide Dredging and Waterways	500,000
14	Improve Community and Neighborhood Parks	250,000
15	Improve Cultural Facilities (PA)	250,000
16	Improve Downtown Corridor Streetscaping	100,000
17	Improve Existing Community Centers	200,000
18	Improve Harbor Park (PA)	500,000
19	Improve HVAC Systems Citywide	200,000
20	Improve Infrastructure and Acquire Property	1,000,000
21	Improve Neighborhood Streets - Major	300,000
22	Improve Neighborhoods Citywide	2,500,000
23	Improve Roof Repair and Moisture Protection	250,000
24	Improve Street Lights	100,000
25	Maintain Fire Stations	1,000,000
26	Maintain Municipal Facilities (PA)	2,000,000
27	Maintain USS Wisconsin BB-64 (PA)	500,000
28	Repair and Maintain Bridges - Minor	250,000
29	Repair and Replace Bridges - Major	1,000,000
30	Repair Neigh. Sts/Sidewalks/Walkways	250,000
31	Support Citywide Public Art	250,000
32	Support Jail Improvements	5,400,000
33	Upgrade and Expand Broadband Infrastructure	2,000,000
Total General Capital		43,364,000
Parking Facilities		
34	Maintain Parking Facilities	2,900,000
Total Parking Facilities		2,900,000

Storm Water Utility

35	Create Citywide Flooding Reserve	1,315,200
36	Improve Storm Water Quality	950,000
37	Improve Storm Water System	600,000
38	Improve Storm Water Waterfront Facilities	500,000
39	Reduce Neighborhood Flooding	1,450,000

Total Storm Water Utility**4,815,200****Wastewater Utility**

40	Improve Wastewater Collection System	20,000,000
----	--------------------------------------	------------

Total Wastewater Utility**20,000,000****Water Utility**

41	Comply With Safe Drinking Water Act Amendments	400,000
42	Design and Construct 37th Street Plant	500,000
43	Implement Meter Change-Out Program	400,000
44	Improve Water Pipeline Infrastructure	12,000,000
45	Rehabilitate Reservoirs Systemwide	3,650,000
46	Upgrade Moores Bridges Water Treatment Plant	9,000,000

Total Water Utility**25,950,000****Grand Total****97,029,200**

Section 2:- That in order to provide the funds heretofore appropriated, cash in the aggregate principal sum of \$25,912,593 is authorized to be expended. Of such sum, \$16,747,393 is for General Capital Improvement Projects, which is comprised of \$300,000 of proceeds from the sale of land, \$1,847,393 transferred from the General Fund, \$3,000,000 transferred from the Public Amenities Fund; \$11,600,000 appropriated from urban allocation funds; \$2,900,000 is for Parking Facilities Fund Projects; \$4,950,000 is for Water Utility Fund Projects; and \$1,315,200 for Storm Water Utility Fund Projects. Previously approved, but unissued, bonds in the aggregate principal sum of \$4,965,041 are reappropriated for General Capital Improvement Projects, and therefore bonds of the City of Norfolk in the aggregate principal sum of \$71,116,607 are hereby authorized to be issued from time to time in such form and with such terms as shall be established pursuant to future ordinances, of which \$26,616,607 is for General Capital Improvement Projects, \$3,500,000 is for Storm Water Utility Fund Projects, \$20,000,000 is for Wastewater Utility Fund Projects and \$21,000,000 is for Water Utility Fund Projects.

Section 3:- That the Council reasonably expects to reimburse certain expenditures made from the General

Capital Improvement Projects Fund, Storm Water Utility Fund, Wastewater Utility Fund, and Water Utility Fund to interim finance the above-described capital projects with the proceeds of the above-described bonds to be issued by the City.

Section 4:- That this ordinance represents a declaration of "official intent" under Treasury Regulations Section 1.150-2(e).

Section 5:- That the expenditures to be reimbursed will be paid from the following funds, which funds have the following general functional purposes:

(a) General Capital Improvement Projects Fund. Used to account for the financial resources used to finance general capital improvement projects in the Capital Improvement Plan other than those financed by the City's enterprise funds or special revenue funds;

(b) Wastewater Utility Fund. Used to account for the City's wastewater utility operations, including accounting for the financial resources used to finance capital projects in the Capital Improvement Plan related to the wastewater utility;

(c) Storm Water Utility Fund. Used to account for the City's environmental storm water operations, including accounting for the financial resources used to finance capital projects in the Capital Improvement Plan related to the storm water utility; and

(d) Water Utility Fund. Used to account for the City's water utility operations, including accounting for the financial resources used to finance capital projects in the Capital Improvement Plan related to the water utility.

Section 6:- That the appropriate officers or agents of the City are authorized and directed to file a certified copy of this ordinance with the Circuit Court of the City of Norfolk pursuant to Sections 15.2-2607 and 15.2-2627 of the Code of Virginia, 1950, as amended.

Section 7:- That the City Manager, unless otherwise directed by City Council, is hereby authorized to do all things necessary to implement the projects set forth in the Fiscal Year 2017 Capital Improvement Plan Budget.

Section 8:- That the City Manager or his designee is authorized to close out or reappropriate unused Capital Improvement Plan funds in projects that have been completed. These funds may be reappropriated as sources in future year Capital Improvement Plans.

Section 9:- That the City Manager or his designee is authorized to transfer from any project which has an excess of funds appropriated for its use to any other project all or any part of such excess. A record of all such transfers shall be maintained by the Director of Finance.

Section 10:- That the City Manager or his designee is authorized to utilize balances from urban allocation funding for General Capital Improvement Projects, not to exceed \$11,600,000. Should urban allocation funds not aggregate \$11,600,000, bonds for the City of Norfolk are hereby appropriated and authorized to be issued.

Section 11:- That the City Manager or his designee is authorized to transfer funds from any project authorized with Public Art funds in the Capital Improvement Plan to any other project or pool funds, as needed, to implement any portion of the Plan.

Section 12:- That this ordinance shall be in effect from and after July 1, 2016.